

REPORT TITLE: RESPONSE TO THE GOVERNMENT'S PROPOSED  
AMENDMENTS TO ASPECTS OF THE EXISTING PLANNING SYSTEM

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WARD(S) All

PURPOSE

The Ministry of Housing, Communities and Local Government is consulting on a number of proposed changes to current planning policy and legislation. These include changes to the standard method for assessing local housing need (the number of houses for which the Local Plan needs to plan), securing of First Homes through developer contributions, temporarily lifting the small sites threshold for when affordable housing would be required and extending the current Permission in Principle to major development. Consultation on this document ends on the 1st October 2020.

The purpose of this report is to set out the Council's formal response to this consultation document.

The government is undertaking a separate consultation exercise on the White Paper 'Planning for the Future' which proposes changes to the way in which Local Plans are operated and prepared, amongst other things, to which responses are required by the end of October. Cabinet will receive a report on the Council's proposed response to that consultation on 21<sup>st</sup> October.

RECOMMENDATIONS:

**It is recommended that Cabinet considers and approves the Council's response to the consultation document 'Changes to the Planning System' issued by the Ministry of Housing, Communities and Local Government as set out in Appendix A.**

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

#### 1.1 **Tackling the Climate Emergency and Creating a Greener District**

1.2 The government proposals have nothing substantial to say in relation to the national climate emergency or impact on creating a greener district. The consultation response notes this and attempts to make this point within the confines of the government's questions.

#### 1.3 **Homes for all**

1.4 Delivering a range of new homes for all is a key role of the Council Plan and the proposals that are contained in this consultation document seek views on a range of proposals that are aimed at significantly increasing the number of homes that would need to be delivered in the District. There are, however, a range of other proposals in this consultation document in connection with the delivery of 'First Homes' and proposals to change the threshold for developer contributions towards affordable homes that it is considered would have a both a positive and a negative impact on homes for all.

#### 1.5 **Vibrant Local Economy**

1.6 The consultation document is seeking views on proposals for an expanded Permission in Principle route to extend it to major development and not to set a limit for commercial development space. Concern is raised about what the potential impact could be on the city centre/market towns.

#### 1.7 **Living Well**

1.8 An important part of the Council Plan is that it considers and addresses the needs of all of our residents across all age ranges and abilities. There is nothing specifically in the government proposals which relates to this.

#### 1.9 **Your Services, Your Voice**

1.10 A key part of this consultation is to seek engagement from a wide range of people on the proposed changes to the current planning system.

### 2 FINANCIAL IMPLICATIONS

2.1 There would be financial implications for the Council if the Government introduces an exemption from the Community Infrastructure Levy (CIL) for First Homes and in relation to some other proposed changes to the planning system but it is not possible to quantify these at present. It is likely that they would have only minor impact and in relation to expenditure on particular

housing or infrastructure projects and not the Council's core financial management.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 The White Paper puts forward amendments sought to be introduced by central government to both primary and secondary legislation. Although currently remaining a consultation documentation central government may move quickly to prepare the first draft Bill(s) based on this white paper. It is therefore important that all considerations put forward by the council are in full context.

3.2 There are no direct procurement implications as a result of this report.

### 4 WORKFORCE IMPLICATIONS

4.1 None.

### 5 PROPERTY AND ASSET IMPLICATIONS

5.1 None.

### 6 CONSULTATION AND COMMUNICATION

6.1 Consultation has been undertaken with other Service Leads, Executive Leadership Board and the Cabinet Member on the content of this report and the response to the questions that are contained in this consultation document. The government's timescale for responses does not allow for wider consultation by the city council, but responses can of course be made to the government directly by the public, developers, businesses, parish councils, amenity groups and any other interested parties.

### 7 ENVIRONMENTAL CONSIDERATIONS

7.1 Many of the activities that are detailed in this report (e.g. increasing the number of homes that the council would be required to provide for in the Local Plan) would have an impact on our environment and at the moment there are no details in the consultation document in terms of how this would be addressed.

### 8 EQUALITY IMPACT ASSESSEMENT

8.1 None arising from the content of the report. This is a government consultation which has included a section on Public Sector Equality Impact Assessment. It is asking if there are there any direct or indirect impacts in terms of eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations on people who share characteristics protected under the Public Sector Equality Duty.

## 9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

## 10 RISK MANAGEMENT

There are risks arising to the city council's ability to deliver its objectives from changes to the planning system which are proposed in the consultation document. The main risks are the impact that these changes will have on the council's timetable for the production of the Local Plan (the Local Development Scheme), the impact on the amount of affordable housing that will be delivered in the district if the threshold for affordable housing is increased from 10 to either 40 or 50 dwellings and the proposed changes to the Community Impact Levy. However, until the government determines exactly what measures are to be implemented it is not possible to quantify these or any mitigation strategies. Ultimately the government will implement those measures it considers appropriate regardless of the impact on individual local authorities and these therefore lie beyond the city council's risk management strategy.

## 11 SUPPORTING INFORMATION:

### 11.1 **Background**

11.2 The Ministry of Housing, Communities and Local Government has published two consultation papers which set out major changes in the planning system. One sets out proposals for a completely new national planning system the 'White Paper- Planning for the future'

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/907956/Planning\\_for\\_the\\_Future\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907956/Planning_for_the_Future_web_accessible_version.pdf) The closing date for this consultation document is the 28<sup>th</sup> October and it is due to be discussed at a Cabinet meeting on the 21<sup>st</sup> October 2020.

11.3 The other consultation document, which proposes immediate amendments to the current planning system is the subject of this report

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/907215/200805\\_Changes\\_to\\_the\\_current\\_planning\\_system\\_FINAL\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907215/200805_Changes_to_the_current_planning_system_FINAL_version.pdf) The closing date for this consultation document is the 1<sup>st</sup> October 2020.

### 11.4 **Details of Proposal**

11.5 This consultation document seeks views on a range of proposed changes to the current planning system. The four main proposals are:

- changes to the standard method for assessing local housing need, which as well as being a proposal to change guidance in the short term

has relevance to proposals for land supply reforms set out in 'Planning for the Future';

- securing of First Homes, sold at a discount to market price for first time buyers, including key workers, through developer contributions in the short term until the transition to a new system;
- temporarily lifting the small sites threshold below which developers do not need to contribute to affordable housing, from 10 to up to 40 or 50 units to support SME builders as the economy recovers from the impact of Covid-19;
- extending the current Permission in Principle to major development so landowners and developers now have a fast route to secure the principle of development for housing on sites without having to work up detailed plans first.

11.6 A detailed response to each of the questions that have been raised in this consultation document is set out in Appendix A to this report.

**11.7 Changes to the standard method for assessing local housing need**

11.8 It is government policy to boost the supply and delivery of new homes to achieve delivery of at least 300,000 dwellings a year. To achieve this the government requires local planning authorities to use a standard methodology' to calculate how many homes they must provide for in their Local Plan. The Local Plan must allocate enough land to accommodate the area's housing needs and to meet the needs of specific groups (e.g. affordable housing, homes for older people and the needs of gypsies and travellers) unless it can demonstrate an overriding reason why this is not possible.

11.9 Under the current standard methodology the city council will need to provide for about 692 homes to be provided every year of the new Local Plan between 2018 and 2038. This would be very consistent with numbers required and achieved under the existing Local Plan.

11.10 However, the government believes that local planning authorities are, as a whole, not planning for sufficient homes and therefore proposes a revision to the standard methodology. It is not necessary to repeat the detailed explanation of the way in which the standard methodology is proposed to change since this is set out in the consultation document. What is important is the effect on Winchester district.

11.11 The new methodology would increase the housing requirement for the whole of the district (which includes the area that is covered by the SDNPA) from the current estimate of 692 to 1,024 dwellings per annum, an increase of 48% in the number of houses which need to be built annually in the district. The main reason for this increase is that affordability would play a greater part in the revised standard methodology and the 'cap' on numbers is removed. This

revised standard method would be a temporary measure until the binding requirement proposed in the White Paper is established, using a slightly different methodology.

- 11.12 It is important to re-iterate that the figure of 1,024 dwellings per annum is for the whole of the district. As this is the case, it suggests that the affordability of properties in the SDNP has been factored into the government's revised methodology which has potentially skewed the affordability ratio and is disadvantageous to the city council when, as local planning authority, it can only plan for 60% of the district (i.e. the area of land that is located outside of the SDNPA). This is a flaw with the calculation. Discussions are taking place with Officers from the SDNPA about the implications of the government's proposed changes to the planning system and that the government needs to take into account the fact that 40% of the district is located in the SDNP.
- 11.13 The White Paper, which is the subject of a separate consultation exercise and will be reported to a separate Cabinet meeting, is also seeking views on how its (different) proposed new methodology could take into account constraints but the devil will be in the detail in terms of how the various components of the methodology are weighted to arrive at an overall housing requirement. It is worth noting that if all authorities' housing requirements are reduced due to constraints (for example, to take into account Green Belt, Areas of Outstanding Natural Beauty, etc) the national target of 300,000 dwellings per annum would not be met. There is also no detail on how this process would work and how open and transparent the process would be for those local authorities that might be seeking to reduce their housing requirement because of local constraints.
- 11.14 The situation for the city council is potentially slightly different when it is compared to a local planning authority that has large areas of flood risk, Green Belt or an AONB (which lie within a local authority planning area and they have planning control over) as the city council does not plan for development in the SNDPA. In this respect, the calculation is flawed as the whole of the district has been taken into account to produce the housing figure but it might not be potentially adjusted under the proposals in the White Paper. This is because it is not a 'constraint' as falls outside of WCC planning area.
- 11.15 It is clearly for Cabinet to determine whether the government's proposal for the number of houses to be built in Winchester district should increase by this amount is something to be welcomed or not. Given the constraints on development arising from good place-making and the protection of the environment is difficult to see how this level of development could be compatible with sustainability objectives. This view will no doubt be shared by a number of other local planning authorities in Hampshire and significant parts of the South East of England which would also see similar substantial increases in the number of 'developer, privately owned' homes that they

would need to provide in their Local Plan, due to the increased emphasis on affordability.

- 11.16 It should be noted that the revised standard method itself is effectively just a 'stopgap' until the new binding methodology that is outlined in the White Paper comes into effect. This means that using it as a basis for the new Local Plan could be a high risk approach, given the uncertainty about the final long-term requirement. Although it may well be superseded by the time progress could be made on the Winchester Local Plan, the total housing requirement itself will not necessarily change significantly given the government's desire to achieve the end result of 300,000 dwellings per annum (nationally.).
- 11.17 In view of the impact on place-making and sustainability of an abrupt uplift of 48% in house building requirements, it is considered that the council should offer a robust objection to the proposed changes to the standardised methodology. The real uncertainty over housing numbers that has been created by this consultation is the principal reason why work on the council's Local Plan has been paused and consultation did not take place on the Strategic Issues & Options document as this was based on substantially lower housing numbers. Work will be undertaken on preparing a Local Plan Action Plan before Christmas which will identify what work can be undertaken taking in consideration the proposed government changes that are potentially on the horizon.
- 11.18 **Securing of First Homes, sold at a discount to market price for first time buyers**
- 11.19 One of the key parts of the consultation document is to seek views on proposed changes to the planning system to promote the use of so-called 'First Homes'.
- 11.20 First Homes would be offered at a discount of 30% to the market price which will be set by an independent registered valuer. Local authorities will have discretion to increase the discount to 40% or 50% during the Local Plan making process if there is evidence to justify this.
- 11.21 The government's intention is that a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes. This will be a national threshold, set out in planning policy. Initially these will be secured through section 106 planning obligations but, under proposed reforms, these would subsequently be secured through the Infrastructure Levy (as set out in the White Paper).
- 11.22 Whilst the discount for First Homes would be a good financial incentive and allow a greater number of people onto the first rung of the housing property ladder, more detail is needed on what would happen with the subsequent sale of a property in order to ensure that it is affordable in the future, and the person in the First Home is in a financial position to move up the property ladder. All such schemes suffer from the defect of creating a potential huge gap between what is affordable as the 'first rung on the property ladder' and

that of the second rung property – for which there is no discount available. If house prices stay relatively stable then moving on from the First Home may be almost as difficult as joining the market in the first place. It is suggested that this point be raised in the council's response.

**11.23 Temporarily lifting the small sites threshold below which developers do not need to contribute to affordable housing, to up to 40 or 50 units to support small and medium (SME) builders**

11.24 The government correctly points out that the number of homes built by SME builders have been declining in the long term and were hit hard by the last recession. This has increased the power of the volume housebuilders to control the production of homes and possibly reduced the number delivered in any one area (although the volume housebuilders dispute this). The problem for SME builders is largely their limited access to commercial finance due to the risks of the planning system and in order to support them in the medium term especially during economic recovery from Covid-19, the government proposes to reduce the burden of planning contributions for a time-limited period – effectively subsidising them by removing some obligations to provide affordable housing or other payments which have otherwise been considered justified in line with adopted policy.

11.25 The specific proposal is to increase the threshold at which developers are required to provide affordable housing. The threshold is currently 10 dwellings and the government is seeking views on raising this threshold to either 40 or 50 dwellings. The government has stated that it would be for an initial period of 18 months and they would then monitor the impact of the raised threshold on the sector before reviewing the approach. The government has not explained clearly in the consultation how this would be specifically benefit SME builders but is based on the assumption that SME builders in particular tend to promote development of smaller sites.

11.26 Such a change in the threshold for the provision of affordable housing could be seen as inconsistent with the government's own concerns to promote affordability (which it does acknowledge) and contrary to the city council's long established policies. Since most windfall and small releases under the current Local Plan will fall under the threshold proposed it would result in a significant reduction in the amount of affordable housing the city council would be able to secure. Over the last five years this has amounted to 147 affordable housing units which is on average, 19 affordable housing units per year. In many cases, the certainty of income from registered housing providers 'buying' affordable homes is welcomed.

11.27 The proposal seems to be inconsistent with the justification for a revision to the standard methodology, which turns largely on the issue of affordability, whilst the council would then be prevented from asking developers to provide affordable housing for sites that fall under a new threshold.

11.28 For the above reasons it is recommended that the council strongly objects proposals in this consultation document to increase the threshold from 10

dwellings to 40 or 50 dwellings at which contributions for affordable housing can be obtained.

- 11.29 **Extending the current ‘Permission in Principle’ regime to major development so landowners and developers now have a fast route to secure the principle of development for housing on sites without having to work up detailed plans first**
- 11.30 Permission in Principle (PIP) was introduced by government in 2017 <https://www.gov.uk/guidance/permission-in-principle> The PIP consent route is an alternative way of obtaining planning permission for housing-led development which separates the consideration of matters of principle for proposed development from the technical detail of the development. The PIP consent route has 2 stages: the first stage (or permission in principle stage) establishes whether a site is suitable in-principle and the second (‘technical details consent’) stage is when the detailed development proposals are assessed.
- 11.31 PIPs may include other uses such as retail, offices, or community spaces although housing must occupy the majority of the overall scheme. Non-housing development should be compatible with the proposed residential development.
- 11.32 Whilst the consultation document states that there has been a gradual increase in the use of PIPs, there is no data included to support this statement in this consultation document. The city council has received no applications under the PIP regime since it was introduced back in 2017. Experience elsewhere in Hampshire is similar.
- 11.33 Despite the lack of any evidence that it would be beneficial, the consultation document seeks views on extending the scope and role of PIPs. The current regulations set a limit for commercial development to 1,000 sqm, with a maximum size capped at 1 hectare. The proposals in the consultation document seek to expand PIPs by extending it to major development with no limit on the amount of commercial development that could come forward under a PIP. This is on the basis that the government does not believe it is necessary to limit the amount of commercial floorspace as it will still be the case that PIP should only be granted for development that is housing-led.
- 11.34 It is important to note that a PIP by its very nature, only needs to include limited information on the location, land use and amount of development. For example, a PIP for residential development only needs to indicate a minimum and maximum net number of dwellings and include a description of the type of development (e.g. by indicating the use classes of the buildings or land) and the scale of development that would be permitted. Other matters would only be considered at the next stage of the process which is called ‘Technical detail consent stage’.
- 11.35 Concern is raised about widening the scope of PIPs for example to include large town centre sites or development involving up to 150 dwellings (which is

under the current Environmental Impact threshold). This is on the grounds that this could be extremely problematic not only in terms of assessing the planning merits of PIPs but also for the general public as they would only be able to comment on the principle of development having the benefit of extremely limited information. The statutory time limit for a PIP determination is 5 weeks, counting from the day after the local authority has received a valid application, which provides very limited opportunity for consultation and engagement, especially for a large scale proposals, that this consultation document is suggesting should be covered by this procedure

11.36 In view of the above, it is considered that strong objections to the proposals for an expanded role of PIPs should be made.

#### 11.37 SUMMARY

11.38 The proposals for changes to the planning system are clearly designed to create faster consents for higher levels of housing (and to a lesser extent commercial development) in districts such as Winchester. The effect of the change in the standard methodology in particular could immediately increase pressure on sites not allocated in the current Local Plan and reduce the ability of the city council to control development other than by relying on the national policy framework. Although a new Local Plan will in due course help to manage this requirement, it will only be able to do so by allocating significantly larger amounts of land for development if the government retains housing targets based on similar principles within the new local plan framework.

11.39 No evidence has been presented by the government that a higher level of housebuilding will have the intended outcome of reducing average house prices in district's like Winchester, still less that there will be any benefit for existing residents trying to step onto or climb the housing ladder. Therefore there seems little justification for this greatly increased requirement when the risks of inappropriate development are taken into account. Indeed the proposal to raise the small site threshold will self-evidently reduce the availability of affordable housing. It is therefore suggested that the council's response include these broader points as well as addressing the specific questions in the consultation.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 This is a response to a government consultation on the proposed changes to the current planning system and the content of any response is a matter for Cabinet based on its judgement. Given the impact of the changes that are being put forward, particularly in relation to the number of homes that the council would need to plan for in the Local Plan and the proposals to raise the threshold on affordable housing, a draft response has been prepared for Cabinet to consider.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

None

Other Background Documents:-

None

APPENDICES:

Appendix A – Proposed response to the consultation document

### Consultation on changes to planning policy and regulations: Recommended WCC Response

Question	Response
Q1: Do you agree that planning practice guidance should be amended to specify that the appropriate baseline for the standard method is whichever is the higher of the level of 0.5% of housing stock in each local authority area OR the latest household projections averaged over a 10-year period?	Agree on the household projections but disagree on the 0.5% as WCC has no control over 40% of the district as this is the SDNPA. WCC disagrees that it should be the higher of the two options.
Q2: In the stock element of the baseline, do you agree that 0.5% of existing stock for the standard method is appropriate? If not, please explain why.	Disagree. For the reasons above. There are districts where they want further development and the proposed calculation appears to ignore this factor (i.e. parts of the country where there are large areas of regeneration or brownfield sites).
Q3: Do you agree that using the workplace-based median house price to median earnings ratio from the most recent year for which data is available to adjust the standard method's baseline is appropriate? If not, please explain why.	Disagree. Only one multiplier should be used for affordability. The City Council strongly objects to the use of two factors for affordability (see also below).
Q4: Do you agree that incorporating an adjustment for the change of affordability over 10 years is a positive way to look at whether affordability has improved? If not, please explain why.	Disagree. This is a flawed approach as it double-counts affordability. The calculation does not take any account of other important factors (e.g. constraints, deliverability, brownfield capacity) so it is not appropriate to have two multipliers for affordability. Affordability should only be taken into account once, and the existing house price to earnings ratio is the most appropriate measure.
Q5: Do you agree that affordability is given an appropriate weighting within the standard method? If not, please explain why.	<p>Disagree. Affordability is given an excessive weighting. It is the only weighting factor used and applying it twice double-counts this factor while excluding all other considerations. Only one measure of affordability should be used (the existing house price to earnings ratio). The underlying assumption that affordability will be improved simply by increasing house building in a particular area is flawed as research and no evidence has been put forward in the consultation document that this will happen. The Government cannot control the cost of homes as this is determined by housebuilders, who currently control the rate at which new homes are marketed to the public.</p> <p>Furthermore, no evidence has been forward that demonstrates granting permission for more homes will not necessarily increase delivery to a level which meets the Government's target as developers can land bank sites with planning permission and their rate of building also determines the number of new homes delivered. The Council has no control over these key factors. The consultation and broader reforms outlined in the Planning for the Future White paper to do not seem to address this matter which is fundamental in boosting the supply of new homes.</p> <p>As the figure of 1,024 is for the whole of the district it suggests that the affordability of properties in the SDNPA has been factored into the government's revised methodology which has</p>

Question	Response
	<p>potentially skewed the affordability ratio and is disadvantageous to the city council when, as local planning authority, it can only plan for 60% of the district (i.e. the area of land that is located outside of the SDNP). This is a flaw with the calculation. Discussions are taking place with Officers from the SDNPA about the implications of the government's proposed changes to the planning system and there is support from the SDNPA for the view that the government needs to take into account the fact that 40% of the district is located in the SDNP.</p> <p>This means that the situation for the city council is potentially slightly different when it is compared to a local planning authority that has large areas of flood risk, Green Belt or an AONB (which lie within a local authority planning area and they have planning control on) as the city council does plan for development in the SNDPA. In this respect, the calculation is flawed as the whole of the district has been taken into account to produce the housing figure but it might not be potentially adjusted under the proposals in the White Paper because it is not a constraint within the 60% of the district that the council is able to plan for.</p>
<p>Q6: Do you agree that authorities should be planning having regard to their revised standard method need figure, from the publication date of the revised guidance, with the exception of: Authorities which are already at the second stage of the strategic plan consultation process (Regulation 19), which should be given 6 months to submit their plan to the Planning Inspectorate for examination?</p>	<p>Disagree. The revised standard method figure will only be relevant for a short period until replaced by a new methodology which takes account of constraints (Planning for the Future White Paper). It is not appropriate to use a short-term requirement as the basis for local term planning, especially when it is proposed to replace it with a new binding figure.</p> <p>Local planning authorities faced with a sudden jump in their housing requirement may face speculative and inappropriate planning applications without any opportunity to plan proactively. This will lead to 'planning by appeal' and runs completely counter to the principle of a plan led system and local involvement in the planning system which the government has stated it wishes to promote. There should be no change in the housing requirement except as part of the Local Plan process.</p>
<p>Q7: Do you agree that authorities should be planning having regard to their revised standard method need figure, from the publication date of the revised guidance, with the exception of: Authorities close to publishing their second stage consultation (Regulation 19), which should be given 3 months from the publication date of the revised guidance to publish their Regulation 19 plan, and a further 6 months to submit their plan to the Planning Inspectorate?</p>	<p>Disagree. See the response to question 6 above. The proposed revised standard method is not fit for purpose now or for long-term planning, whatever stage of the plan process has been reached.</p>
<p>Q8: The Government is proposing policy compliant planning applications will deliver a minimum of 25% of onsite affordable housing as First Homes, and a minimum of 25% of offsite contributions towards First Homes where appropriate. Which do</p>	<p>The City Council rejects the assumption that the 'First Home' minimum requirement is an acceptable starting point for affordable housing provision. The government should continue to allow local authorities which have local knowledge and evidence to determine the tenure and mix</p>

Question	Response
<p>you think is the most appropriate option for the remaining 75% of affordable housing secured through developer contributions? Please provide reasons and / or evidence for your views (if possible):</p> <p>i) Prioritising the replacement of affordable home ownership tenures, and delivering rental tenures in the ratio set out in the local plan policy.  ii) Negotiation between a local authority and developer.  iii) Other (please specify)</p>	<p>of affordable housing required. Winchester's District wide current affordable building programme cannot significantly expand the number of homes available for rent because the ability to buy a council property after seven years remains. These are often sold onto private landlords who rent out at high prices. Thus homes at rents which are affordable to those on lower incomes are lost to those who need them.</p>
<p>Q9: Should the existing exemptions from the requirement for affordable home ownership products (e.g. for build to rent) also apply to apply to this First Homes requirement?</p>	<p>Exemptions are less important than the ability to protect the provision of rented affordable homes</p>
<p>Q10: Are any existing exemptions not required? If not, please set out which exemptions and why.</p>	<p>Existing exemptions are all relevant</p>
<p>Q11: Are any other exemptions needed? If so, please provide reasons and /or evidence for your views.</p>	<p>Sites which are developed for 100% affordable housing by the local authority should be exempt and those sites in areas where it can be shown there is a significant need for rented affordable homes and no need for affordable home ownership products, perhaps because the affordable home ownership market is saturated</p>
<p>Q12: Do you agree with the proposed approach to transitional arrangements set out above?</p>	<p>Disagree. The proposals are vague in some respects and should specifically allow for existing local plan requirements to be used until new plans are put in place.</p>
<p>Q13: Do you agree with the proposed approach to different levels of discount?</p>	<p>Disagree. Flexibility at a local level is the most important factor.</p>
<p>Q14: Do you agree with the approach of allowing a small proportion of market housing on First Homes exception sites, in order to ensure site viability?</p>	<p>Disagree. First Homes are a form of market housing but the city council does not think they should have to be included at a minimum of 25% of the total as the mix should reflect local need. It does not state whether a "first Home" will always be a first home or whether the home can be sold on the commercial market- see response to Q8 above</p>
<p>Q15: Do you agree with the removal of the site size threshold set out in the National Planning Policy Framework?</p>	<p>Disagree. The size limit that is included in footnote 33 of the NPPF (sites should not be larger than one in hectare in size or exceed 5% of the size of the existing settlement) is already above what would normally be expected for rural exception site.</p>
<p>Q16: Do you agree that the First Homes exception sites policy should not apply in designated rural areas?</p>	<p>We agree that the First Homes exception sites policy should not apply in designated rural areas. We consider that this Designation is very limited and should be extended to all parishes with under 3,000 population. Rural parishes with under 3000 population are better served by traditional rural exception sites. We are concerned that landowners will choose to sell their land for First Homes Exception Sites, which, because they will provide predominantly affordable</p>

Question	Response
	<p>housing for sale, are likely to command a higher land value than rural exception sites. This will be to the detriment of rural exception sites which provide a mix of affordable homes tailored to the specific needs of the community, and developed with real community engagement. The proposed changes to the site threshold and the First Homes exception site policy should not apply to rural villages under 3000 population as together these changes will drastically reduce the supply of affordable homes in rural communities</p>
<p>Q17: Do you agree with the proposed approach to raise the small sites threshold for a time-limited period?</p>	<p>Disagree very strongly. The existing threshold is considered to be appropriate and meets the aim of being able to provide some affordable housing on sites which are both profitable and deliverable for developers including SMEs No evidence whatsoever has been provided in this consultation document that raising the small site threshold would actually benefit small/medium builders. The new thresholds would rule out a large proportion of those sites in our district that would currently deliver affordable housing in line with adopted Local plan policy. This policy also allows for a reduction in the level of affordable housing provision delivered (40%) where it can be shown that meeting the full quantum would make a development unviable. The number of affordable homes is therefore adjusted to reflect site viability.</p> <p>The proposal is also contradictory to the stated intention of these changes to the current system which is to improve the affordability of housing because it will have the effect of worsening the outputs from the revised standard methodology (which penalises Winchester City Council for being unaffordable), yet denies the opportunity for the Council to obtain affordable housing from sites that fall under this new threshold. It will, in effect, increase the housing requirement further.</p> <p>Since most windfall and small releases under the current Local Plan will fall under the threshold proposed it would result in a significant reduction in the amount of affordable housing the city council would be able to secure. Over the last five years this has amounted to 147 affordable housing units which is on average, 19 affordable housing units per year.</p> <p>On the above grounds we strongly disagree with proposals to increase the threshold from 10 dwellings to 40 or 50 dwellings.</p>
<p>Q18: What is the appropriate level of small sites threshold? i) Up to 40 homes ii) Up to 50 homes iii) Other (please specify)</p>	<p>Disagree. We strongly disagree as these are high thresholds and it would result in a reduction in the amount of affordable housing we would be able to secure. The consultation document fails to take this factor into account.</p>
<p>Q19: Do you agree with the proposed approach to the site size threshold?</p>	<p>Disagree.</p>
<p>Q20: Do you agree with linking the time-limited period to economic recovery and raising the threshold for an initial period of 18 months?</p>	<p>Disagree. For the reasons that have been outlined in question 17 we strongly disagree with proposed changes to the threshold for even a temporary period. This seems to contradict the standard methodology which penalises Winchester City Council for being unaffordable, yet we</p>

Question	Response
	<p>are preventing from achieving affordable housing.</p> <p>The Local Plan policy relating to affordable housing provision allows for flexibility in the number of units provided on smaller sites because viability is taken into account.</p> <p>The government does not seem to recognise that the provision of an affordable housing element assists developers with cash flow and so the threshold must not be raised. During the 2008 recession the guaranteed sales to housing associations for the affordable housing supported cash-flow, meant development could continue and contractors kept employed. It is also the case that a requirement to provide on-site affordable housing reduces the land cost making it more likely that SME builders can compete to buy these sites</p>
Q21 : Do you agree with the proposed approach to minimising threshold effects?	The government must ensure that there is no scope to 'play the system'.
Q22: Do you agree with the Government's proposed approach to setting thresholds in rural areas?	It is agreed that lower thresholds of 5 or fewer (at the local authority's discretion) should apply to rural areas but the definition of a 'rural area' should be expanded beyond the narrow definition of the Housing Act 1985. Thus all settlements under 3,000 population should be included.
Q23: Are there any other ways in which the Government can support SME builders to deliver new homes during the economic recovery period?	<p>The biggest obstacles these firms have faced is a severe difficulty in accessing finance. Without adequate access to finance they cannot bring forward the number of new homes they would otherwise.</p> <p>From our experience, the SME builders cannot compete with the larger house builders on the Major Development Areas as there is no mechanism for getting them involved in these sites and landowners/large developers will not sell land to them as their covenant strength is often poor.</p> <p>We would encourage the Government undertakes some research with SME builders who have not taken up the Government initiative in order to really understand the reasons behind this as we suspect there will be limited enthusiasm for them to respond to this type of consultation.</p> <p>The RTP1 research made recommendations earlier this year '<i>urged for greater investment in planning as a prerequisite for achieving many of the government's objectives. We welcomed the government's commitment to increased funding for infrastructure and affordable housing, but called for a major grants programme to stimulate housebuilding by councils, housing associations and SMEs</i>'.</p>
Q24: Do you agree that the new Permission in Principle should remove the restriction on major development?	Disagree. As a Council we have not received any applications for Permission in Principle and we are not aware from our discussions with neighbouring LPAs that there has been a gradual increase in take up. Without seeing any data on the take up of PIPs it is difficult to answer this question.

Question	Response
	<p>The main problem with extending the Permission in Principle to major development is the lack of information for what are often extremely complicated sites, for example sites in town centres where there are numerous competing issues that need to be addressed in order to establish whether the use that is being proposed would be acceptable. This seems at odds with proposals in the White Paper which is intended to give everyone more certainty through a Plan led zonal system which is justified by local research.</p> <p>In addition, there would be very little time to make decisions on potentially large scale complicated schemes which may need specialist input from consultees and statutory agencies before properly informed decisions could be made. This could leave to permissions being refused where allowing more time would enable permission to be given.</p> <p>There would also be limited opportunity to give the public and other interested parties' time to comment on such schemes which are likely to attract widespread interest. It is important to make sure that there is sufficient opportunity for people to engage with development proposals and failure to do this undermines faith in the system which the Planning for the Future White paper seeks to improve. This is why major developments would not sit comfortably within the PIP procedure.</p> <p>From our experience, developers are more willing to pay for a Pre-app service which gives them certainty which is what they need if they are working on a complicated site.</p>
<p>Q25: Should the new Permission in Principle for major development set any limit on the amount of commercial development (providing housing still occupies the majority of the floorspace of the overall scheme)?</p>	<p>Agree. If there was no limit on commercial development to Permission in Principle, depending where the proposal is located, and the scale of the proposed commercial development (as no definition has been provided by the words 'majority of the site') this could have an unintended negative consequence on undermining the role of town centres which are already struggling as a direct result of COVID-19 and the increasing role of online sales. In order to address this, this should be informed by local circumstances as we believe that it is helpful to have a threshold or a percentage of floorspace so that it does not undermine the role of town centres.</p> <p>From our experience, any major development proposals should start with a master planning process which is then used to inform the development of the site which would include broad limits on numbers of houses, amounts of commercial floorspace, limit on uses etc. where appropriate.</p>
<p>Q26: Do you agree with our proposal that information requirements for Permission in Principle by application for major development should broadly remain unchanged? If you disagree, what changes would you suggest and why?</p>	<p>Disagree. As stated above the council is concerned about the implications of extending this procedure to larger and more complex developments and sites. PIP is not well suited to these types of schemes. As there has been no take up of Permission in Principle in this LPA we would question whether this is actually a route that would be attractive to developers. .</p>

Question	Response
<p>Q27: Should there be an additional height parameter for Permission in Principle? Please provide comments in support of your views.</p>	<p>Agree in part. This would appear to be logical although if height parameters are identified in the Local Plan any Permission in Principle would need to conform to this. How would this fit with the Government's proposals to extend PD rights?</p> <p>From our own experience, one of the main problems of including height parameters in a PIP is that it does not create variety as developers/promoters of a site tend, from our experience, to then want to build to the maximum height.</p>
<p>Q28: Do you agree that publicity arrangements for Permission in Principle by application should be extended for large developments? If so, should local planning authorities be:</p> <p>i) required to publish a notice in a local newspaper?  ii) subject to a general requirement to publicise the application or  iii) both?  iv) disagree</p>	<p>Agree in part. From our own experience, really good public engagement happens when a variety of methods are used. A key part of this is having the finances to invest in a really good website that actively engages with people and this could be developed in a way so that people could very easily see what stage in the process a PIP had reached which is related to where they live. Allied to this as the timescale for determining a PIP is only 5 weeks the onerous should be on the developer to be able to clearly demonstrate the level of public engagement that has happened prior to the submission of a PIP and this should be clearly defined what they are expected to do by Government so that there is a consistent approach across the whole of the country.</p>
<p>Q29: Do you agree with our proposal for a banded fee structure based on a flat fee per hectare, with a maximum fee cap?</p>	<p>Disagree. All fees should be related on cost recovery.</p>
<p>Q30: What level of flat fee do you consider appropriate, and why?</p>	<p>See above answer.</p>
<p>Q31 : Do you agree that any brownfield site that is granted Permission in Principle through the application process should be included in Part 2 of the Brownfield Land Register? If you disagree, please state why.</p>	<p>Agree as this is one way of recording PIPs. However, brownfield registers need to be more interactive and have the ability for people to search for sites.</p>
<p>Q32: What guidance would help support applicants and local planning authorities to make decisions about Permission in Principle? Where possible, please set out any areas of guidance you consider are currently lacking and would assist stakeholders.</p>	<p>Whilst we have not dealt with any applications for Permission in Principle, it would be helpful to have a national list of requirements in order to ensure consistency. The key in our minds is the level of detail and the evidence that is required to support an application. We note that the NHS has provided a guide to PIPs <a href="https://www.property.nhs.uk/media/2167/nhsps_permission-in-principle_pip_guidance-note.pdf">https://www.property.nhs.uk/media/2167/nhsps_permission-in-principle_pip_guidance-note.pdf</a> and this seems to be a very clear way of presenting the information and could be expanded upon. If the site is complicated it should be required to prepare a masterplan and design codes.</p>
<p>Q33: What costs and benefits do you envisage the proposed scheme would cause?  Where you have identified drawbacks, how might these be overcome?</p>	<p>There would be benefits to developers but there are major disadvantages in terms of the timescales for determination of a PIP, limited arrangements for public engagement and less democratic system.</p> <p>The city council believes that there should be a better way of managing and encouraging people to interact with the planning process online. This can be through interactive forums where a local community can easily access the data and material about a planning application and monitor its status. If it had the ability for people to define a local search area and they could be sent a notification if an application was submitted for the area they were interested in that would</p>

Question	Response
	be very helpful. This needs investment from Government to develop a standardised way of presenting this information as local planning authorities do not have the funding to invest in the above.
Q34: To what extent do you consider landowners and developers are likely to use the proposed measure? Please provide evidence where possible.	We have no evidence that there would be any interest in this so we are unable to comment.
Q35: In light of the proposals set out in this consultation, are there any direct or indirect impacts in terms of eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations on people who share characteristics protected under the Public Sector Equality Duty? If so, please specify the proposal and explain the impact. If there is an impact – are there any actions which the department could take to mitigate that impact?	Whilst there is going to be greater emphasis on the use of technology, which has taken a massive step forward with COVID-19, we should be mindful to not exclude people that do not have access to IT equipment.